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**Administrative and budgetary aspects of the financing
of the United Nations peacekeeping operations**

Financing of the United Nations Observer Mission in Georgia

Financial performance report for the period from 1 July 2000 to 30 June 2001 and proposed budget for the period from 1 July 2002 to 30 June 2003 of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2000 to 30 June 2001 (A/56/721 and Corr.1) and on the proposed budget for the 12-month period from 1 July 2002 to 30 June 2003 (A/56/815). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. UNOMIG was established by the Security Council in its resolution 858 (1993) of 24 August 1993. Since then, its mandate has been extended by the Security Council in various resolutions, the latest being resolution 1393 (2002) of 31 January 2002, by which the Council extended the mandate of the Mission until 31 July 2002.

Financial performance report for the period from 1 July 2000 to 30 June 2001

3. The General Assembly, by its resolution 54/271 of 15 June 2000, appropriated an amount of \$30,048,197 gross (\$28,295,699 net) for the maintenance of UNOMIG for the period from 1 July 2000 to 30 June 2001, inclusive of \$1,425,532 gross for the support account for peacekeeping operations and \$222,865 gross for the United Nations Logistics Base at Brindisi, Italy. That amount has been assessed on Member States. As indicated in paragraph 14 of the report, expenditures for the period amounted to \$26,001,000 gross (\$24,249,000 net), inclusive of \$4,363,600 in unliquidated obligations. The resulting unencumbered balance of \$4,047,197 gross (\$4,046,699 net) represents, in gross terms, 13.4 per cent of the amount appropriated, as indicated in paragraph 14 of the performance report. The Committee enquired about the appropriateness of including amounts for the support account for



peacekeeping operations and for the United Nations Logistics Base at Brindisi when calculating the percentage of unencumbered balances in financial performance reports as against appropriation. The comments of the Advisory Committee on this issue are contained in its general report on peacekeeping operations.

4. Table 2 of the report contains a breakdown of expenditure and unencumbered balance by category of expenditure. The Advisory Committee notes that the unencumbered balance of \$4,047,197 gross is due mainly to savings under military personnel (\$1,161,400), civilian personnel (\$2,015,400) and operational requirements (\$883,800). As indicated in paragraph 6 of the report, the unencumbered balance of \$1,161,400 under military personnel results from a lower monthly deployment of military observers (102), compared with the authorized strength of 135 military observers. The unencumbered balance under civilian personnel is due primarily to the engagement of a higher percentage of the Professional and Field Service staff as mission appointees (65 per cent), compared with the budgeted assumption of 32 per cent. The unencumbered balance of \$883,800 under operational requirements resulted primarily from the acquisition of vehicles at a lower cost than budgeted and non-procurement of one ambulance, as well as from lower actual requirements for spare parts, repairs and maintenance owing to a higher inventory of new vehicles.

5. The Advisory Committee notes from annex II, paragraph 13, to the performance report (A/56/721) that expenditures of \$72,400 under the training programme exceed the amount of apportionment of \$53,000 by \$19,400, and include an amount of \$7,133 relating to training courses for the prior period. **The Committee takes the view that the large amount of overexpenditure (45.1 per cent) and the inclusion of charges relating to prior financial periods point to a lack of proper planning and accounting in the mission.** The Committee also notes that the training programme consisted of a total of 12 different courses involving 18 participants. The table in annex II, paragraph 13, to the performance report (A/56/721) provides information on the training programme, including the description of training, expenditure, number of persons trained and venue of training courses. **The Committee requests that information on training programmes also include information**

on the duration of training courses, as well as information on training courses that were undertaken in addition to the originally planned training programme.

6. The Advisory Committee was informed that the cash position of the Mission as at 31 December 2001 was \$4.8 million and that unliquidated obligations for the period from 1 July 2000 to 30 June 2001 amounted to \$1.6 million, of which \$400,000 was government-related, while \$1.2 million was not. The total amount assessed on Member States for UNOMIG from its inception was \$150.5 million as at 31 December 2001, against which the payments received amounted to \$141.2 million, leaving an outstanding balance of \$9.3 million.

7. With regard to contingent-owned equipment, the Advisory Committee was informed that the estimated amount owed as at 31 December 2001 was \$226,473 which all represent unliquidated obligations. In respect of death and disability compensation, \$137,000 had been paid as at 31 December 2001 for five claims, eight claims were pending, and unliquidated obligations amounted to \$67,752.

8. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 16 of the report. **The Advisory Committee recommends that the unencumbered balance of \$4,047,197 gross (\$4,046,699 net) for the period from 1 July 2000 to 30 June 2001, as well as the interest and other income in the amount of \$1,719,000, be credited to Member States in a manner to be determined by the General Assembly.**

Information on performance for the current period

9. The Advisory Committee was informed that, against the authorized staffing establishment of UNOMIG for the period from 1 July 2001 to 30 June 2002 of 135 military observers, 99 international staff and 176 local staff, the posts encumbered as at 31 December 2001 were 107 military observers, 93 international staff and 168 local staff.

10. The Advisory Committee was provided with expenditure data for the period from 1 July 2001 to 30 June 2002 as at 31 January 2001. Expenditure for the period amounted to \$15,240,500 gross (\$14,374,500

net) against an apportionment of \$27,896,300 gross (\$26,175,800 net).

Cost estimates for the period from 1 July 2002 to 30 June 2003

11. The proposed budget for the maintenance of UNOMIG for the period from 1 July 2002 to 30 June 2003 amounts to \$35,535,300 gross (\$33,735,900 net), as indicated in paragraph 1 of the report of the Secretary-General (A/56/815). The proposed budget represents a 31.6 per cent increase (\$8,540,700), in gross terms, in relation to the apportionment for the current period ending 30 June 2002. Table 1 of the report contains a breakdown of the proposed budget of UNOMIG by category of expenditure and variances in requirements, compared with the current budget of the mission. As indicated in paragraph 2 of the report, the proposed increase of \$8,540,700 reflects an increase of \$463,200, or 3.4 per cent, in civilian personnel costs, an increase of \$8,035,500, or 100.6 per cent, in operational costs, an increase of \$198,000, or 104.7 per cent, in other programmes and an increase of \$187,500, or 11.6 per cent, in staff assessment; the increases are partially offset by a decrease of \$343,500, or 8.9 per cent, in military personnel costs.

12. The proposed staffing requirements for UNOMIG provide for an increase of 11 posts in the category of international staff and 7 posts in the category of locally recruited staff, as follows:

(a) One P-2 post for the Office of the Chief Military Observer;

(b) One P-2 post and one Local level post for the Office for the Promotion and Protection of Human Rights;

(c) One Field Service post for the Air Operations Safety Section;

(d) Two Field Service posts and one Local level post for the Transport Section;

(e) Five Field Service posts for the Security Section;

(f) One General Service post and two Local level posts for the Engineering Section;

(g) One Local level post for the Personnel Section;

(h) One Local level post for the General Services Section;

(i) One Local level post for the Communications and Information Technology Section.

13. Information in support of the proposed additional staffing is contained in paragraphs 23 to 37 of the report (A/56/815). With regard to the proposed establishment of a P-2 post for the Office of the Chief Military Observer, the Committee notes from paragraph 23 of the report that, in the past, the military observers were tasked to provide support for the Joint Fact-finding Group, which investigates all violations of the Moscow Agreement and all cases that may be related to acts of sabotage, terrorism or politically motivated acts directed against the civilian population in the UNOMIG area of responsibility. In the view of the Secretary-General, the lack of continuity of service of the rotating military observers has proved to be a serious shortcoming, apart from insufficient administrative, legal and language skills. **The Advisory Committee has no objection to the proposal for the establishment of the P-2 post. The Committee recommends, however, that the continued need for the post be reviewed and reported in the context of the next budget submission for UNOMIG.**

14. Information in support of two new posts (1 P-2 and 1 LL) for the Office for the Promotion and Protection of Human Rights is provided in paragraph 24 of the report. The Committee notes that these posts are proposed in conjunction with the establishment of a branch office for human rights at Gali. As shown in section VIII, table B, of the report, the current staffing establishment of the Office provides for two professional posts (1 P-5 and 1 P-2) and two Local level posts. **The Committee recommends the establishment of the requested 1 P-2 and 1 Local level posts for the Office.**

15. The Committee has no objection to the proposed establishment of a Field Service post of air safety assistant in the mission headquarters at Sukhumi. Taking into account, however, that four additional posts (1 P-3, 1 FS and 2 LL) were authorized for an Air Operations Unit for the current financial period, the Committee requests that **the mission justify in detail the division of responsibilities among the staff involved in providing support for air operations and that the continued need for the air safety**

assistant post be reviewed and reported in the context of the next budget submission for UNOMIG.

16. As indicated in paragraph 26 of the report, the implementation of the Carlog system in UNOMIG as of September 2001 requires an international staff member at the Field Service level with specialized training to control and monitor the system in the mission area. The Committee sought additional information on the Carlog system and was informed as follows:

"The Department of Peacekeeping Operations formally introduced the Carlog software in the United Nations Protection Force (UNPROFOR) during 1994/1995. The use of the system was then extended to the United Nations Mission in Bosnia and Herzegovina (UNMIBH) with the transfer of vehicle assets from UNPROFOR. The system was evaluated and subsequently enhanced with core United Nations transport functionalities for use in all peacekeeping missions. The functionality of the system is to provide the Transport Section with statistical data related to the use of the vehicle and ensure proper maintenance schedules, recording of liberty mileage and evaluation of fuel efficiencies. The system is currently a standard and in use in multiple missions with acquisition possible through a systems contract. The Department of Peacekeeping Operations will continue to use the enhanced Carlog application to ensure efficient management of a peacekeeping mission's vehicle fleet."

17. Despite the information referred to above, the Committee is not yet convinced that the expense of procurement, installation and maintenance of the Carlog system in UNOMIG is cost-effective (further comments on this matter will be contained in the Advisory Committee's general report on peacekeeping operations). Moreover, the Advisory Committee recalls that, upon request, the Transport Section was provided with an additional Field Service post for the current financial period in connection with the issues of proper management of transport assets and training of relevant personnel. It is the view of the Committee that the functions of the proposed Field Service post for the Carlog system may overlap somewhat with the functions of the Field Service post already established for the management of transport assets. The Committee

does not recommend, therefore, the establishment of a Field Service post for the Carlog system.

18. An additional Field Service post is requested for an armoured vehicle specialist/driving instructor in order to reduce the number of accidents involving these vehicles and to create more awareness concerning the operation, maintenance and general care of the vehicles (see paras. 27 and 28 of the proposed budget). The Committee sought information on the number of accidents involving armoured vehicles and was informed that there had been 19 accidents/incidents involving armoured vehicles for the period from August 2000 to December 2001 owing to poor driving skills of military observers who are not accustomed to driving heavy vehicles. **The Committee has no objection to the proposed establishment of one Field Service post for an armoured vehicle driving instructor.**

19. Information on the proposed establishment of an additional Local level post for a vehicle mechanic in the transport workshop at Sukhumi is contained in paragraph 29 of the report (A/56/815). As indicated therein, the main transport workshop of UNOMIG is located in Zugdidi and, although Sukhumi is the operational headquarters, there is no maintenance facility at that location; the workshop at Gali specializes in minor repair of the mine-protected and ballistic-protected vehicles. The Committee observes also that the majority of the Mission's four-wheel-drive vehicles are concentrated at Sukhumi and are sent to the main workshop at Zugdidi for repairs. **The Committee requests, therefore, that consideration be given to relocating the main repair transport workshop to Sukhumi. In the meantime, the Committee does not recommend the establishment of an additional post for a vehicle mechanic.**

20. As indicated in paragraph 30 of the report, five additional Field Service posts are requested for security functions at Sukhumi headquarters, which houses both the offices and living accommodations of the Special Representative of the Secretary-General. The Committee sought clarification as to why the posts are proposed as Field Service rather than Security Service posts; however, the information was not provided the Committee in time. **The Committee has no objection to the establishment of these five posts. However, in view of the fact that 12 additional Local level posts were authorized for the Security Section for the current financial period, the Committee requests**

that the mission review the continued need for these posts and report on the results of the review in the context of the next budget submission for UNOMIG.

21. The establishment of a General Service post is requested for an additional international construction supervisor to oversee road and bridge repair projects which have a direct impact on the operational patrolling activities of the military observers in the Zugdidi and Gali sectors. As indicated in paragraph 32 of the proposed budget, "the work of local contractors, engineers and project hired local staff requires coordination and supervision on a daily basis by an international staff member". The Committee observes that responsibilities assigned to the post, as described in paragraph 32 of the report of the Secretary-General, appear quite demanding and it questions, therefore, whether the grade of the proposed post is commensurate with such responsibilities. The Committee requests that this matter be reviewed and the results reflected in the next proposed budget. In the meantime, the Committee recommends the establishment of a General Service post for a construction supervisor.

22. In connection with the proposed establishment of two Local level posts for a generator mechanic and for a building management assistant described in paragraphs 33 and 34 of the report, the Committee points out that the budget submission does not contain information on whether alternative solutions, including outsourcing, were considered by the administration of the mission. Moreover, no information is provided to substantiate the deficiencies of the current means of management and the need for their change. For example, no satisfactory explanation is provided as to why the buildings maintenance functions previously performed by contractors should be assigned to a new Local level post (see para. 32 of the report). The Committee cautions, therefore, against what appears to be a tendency towards attempting to resolve administrative, logistical and other challenges faced by the mission by resorting to proposals for additional staffing resources. The Committee does not recommend the establishment of these two Local level posts.

23. The Committee finds insufficient justification for the proposed establishment of a Local level post for the Personnel Section and a Local level post for

the General Services Section and does not recommend the establishment of these posts. The Committee recalls that a new General Service post for a Travel Assistant for the Sukhumi travel section and an additional eight Local level posts were authorized, as requested, for the General Services Section for the current budget period. **The Committee takes the view that the need for any additional staffing requirements for the travel section in Sukhumi should be met through redeployment within the General Services Section.**

24. With regard to the additional Local level post in the Personnel Section, the Committee notes from paragraph 35 of the report (A/56/815) that the proposal reflects the increased workload due to an overall increase in the staff of the mission over the last two budget periods and an additional increase of 18 posts requested in the proposed budget. The Advisory Committee recognizes that there was a considerable increase in local staff of the mission during the last two budget periods, namely, from 139 during 1999/2000 to 176 in 2001/2002. Local staff, however, did not always perform the functions for which the posts were authorized, which resulted in redeployments within the mission (see, for example, para. 36 of the report of the Secretary-General in document A/55/768). **It is the view of the Committee that, with the increased number of Local level posts, it should have been much easier to redeploy, if necessary, the required staff to the Personnel Section. As far as an anticipated increase of 18 staff for the coming budget period is concerned, the Committee holds the view that this matter cannot be regarded as a valid basis for requesting additional staff for the Personnel Section, since, inter alia, the extent to which the staffing proposals for the mission will be granted remains yet to be decided by the General Assembly.**

25. In connection with the proposed establishment of a Local level post for the Communications and Information Technology Section, the Committee notes from paragraph 37 of the report that there are currently four Local level posts for electronic data-processing assistants that are distributed among the Sukhumi, Zugdidi and Tbilisi sectors and the additional Local level post is requested for the Gali Sector. The Committee recalls that two additional Local level posts were authorized, as requested, for the current budget period for the Electronic Data-Processing Section.

The Committee does not recommend the establishment of this Local level post.

26. Section IX of the report (A/56/815) deals with objective-setting. The Committee points out that the General Assembly requested that the Secretary-General ensure, *inter alia*, that the development and attainment of objectives are reported on through the financial performance reports of the missions. The Committee holds the view that attempts should be made to link objectives with resources and to demonstrate how resources provided for administration, management, security and other areas contributed to achieving the administrative and managerial objectives of the missions. The Committee also holds the view that the format used in providing information on objective-setting in peacekeeping operations need not simply be an adaptation or even a replica of the format used in results-based budgeting. The Committee trusts, therefore, that consideration will be given to establishing a format for objective-setting that will be most appropriate to the tasks and particularities of peacekeeping operations.

27. Annex I.C, paragraph 1, to the report (A/56/815) provides information on costing assumptions used in the proposed budget for the mission. The requirements under military personnel reflect a 15 per cent turnover factor against the authorized strength of 135 military observers. Requirements for military observers provide for rotation travel upon completion of the normal period of service. The cost estimates for international staff take into account a 10 per cent vacancy factor. Local staff costs are inclusive of a 5 per cent vacancy factor. The cost estimates provide for 69 per cent of the staff in the Professional and Field Service categories to be employed as mission appointees.

28. The estimated requirements of \$13,815,900 under civilian personnel reflect an increase of \$463,200, or 3.4 per cent, compared with the amount of apportionment for the budget period 2001/2002. The increase is partly due to the proposed establishment of 18 posts, discussed in paragraphs 12 to 25 above. The Committee notes from annex II to the cost estimates that travel requirements for travel show significant growth, compared with the previous budget submission. For example, travel to the mission of political/military officers and administrative specialists and implementation teams from the Department of Peacekeeping Operations would increase from \$6,834

to \$22,500, or by 229 per cent, and from \$6,834 to \$36,950, or by 440 per cent, respectively; similarly, requirements for travel of departmental aviation specialists would increase from \$3,417 to \$8,100, or by 137 per cent, although an Air Operation Unit was established in the mission during the current budget period which should, in the view of the Committee, reduce the need for headquarters aviation specialists to visit the mission. The Committee is of the opinion that the mission should review its travel requirements with a view to achieving economies.

29. The Committee observes that no contribution is made by the Government of Georgia under the status-of-mission agreement (see section IV of the report). The Committee sought clarification on the matter; however, it was not provided with the information on time. The Committee requests that clarification in this regard be provided for the Fifth Committee.

30. The Committee notes that a significant increase is proposed under operational requirements (\$8,035,500, or 100.6 per cent) the bulk of which (\$5,018,500) falls under air operations. As indicated in annex I.C, paragraph 13, to the cost estimates, the increase under air operations is due to the proposed addition of a light tactical utility helicopter and a change in the fixed-wing aircraft to a faster medium transport jet aircraft with same-day turnaround capability between Tbilisi and Istanbul. As far as the additional helicopter is concerned, the Committee notes from annex I, paragraph 14, to the report that it "would provide greater manoeuvrability in the conflict zone and an increase in the number of air patrols. It will also be very useful for medical evacuation cases and VIP transportation". The Committee observes that the cost of monthly flying hours for the additional helicopter is the same as the cost of the helicopters that are currently used by the mission. **The Committee has no objection to the proposed additional helicopter.**

31. With regard to the proposed replacement of the current fixed-wing aircraft with a faster jet aircraft, the Committee notes from annex I, paragraph 14, to the report that "the mission's operational capability has been hampered by the lack of an aircraft capable of completing return flights to and from Istanbul and other European destination in the same day". The Committee also notes from annex II to the report that the rental cost of the proposed jet aircraft is estimated at \$291,666 per month, compared with \$30,100 for the

current aircraft; the monthly cost of fuel for the jet aircraft will also increase from \$40,800 to \$80,000. The Committee sought information on major air carriers that fly into and out of Tbilisi, Georgia, and was informed that four major airlines (British Airways/British Mediterranean, Turkish Airlines, Austrian Airlines and Aeroflot) fly there currently two to four times a week each. **In view of the significant cost of the aircraft replacement and the availability of commercial air carriers operating in Georgia, the Committee does not recommend the change to the type of aircraft proposed as a replacement.**

32. The Committee questions the justification for including a provision for positioning/depositioning of aircraft in each proposed budget, given the fact that aircraft used by the mission are not replaced annually. The Committee requests that non-replacement of aircraft should be taken into account by the mission during its preparation of cost estimates.

33. The requirements of \$369,000, representing an increase of 100 per cent, compared with the appropriation for the current budget period, is proposed under training programmes. As shown in the table in paragraph 21 of annex I.C to the report, training will be arranged for 145 participants in 14 programmes. The Committee observes that information on the training programmes included in paragraph 21 of annex I.C to the report appears too generic: each training programme should be designed to meet specific needs of the mission as carefully identified through administrative and management risk analysis.

34. The actions to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2002 to 30 June 2003 are set out in paragraph 3 of the proposed budget. The Advisory Committee recommends that the amount of \$31,705,800 gross (\$29,927,700 net) be approved for the maintenance of UNOMIG for the 12-month period from 1 July 2002 to 30 June 2003, and that that amount be assessed at a monthly rate of \$2,642,150 gross (\$2,493,975 net) should the Security Council decide to continue the mandate of the Mission.